Exhibit 300: Capital Asset Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2010-09-15
Date of Last Change to Activities: 2012-08-22
Investment Auto Submission Date: 2012-02-29
Date of Last Investment Detail Update: 2012-02-24
Date of Last Exhibit 300A Update: 2012-08-22
Date of Last Revision: 2012-08-22

Agency: 024 - Department of Homeland Security **Bureau:** 45 - Transportation Security Administration

Investment Part Code: 01

Investment Category: 00 - Agency Investments

1. Name of this Investment: TSA - Air Cargo Security

2. Unique Investment Identifier (UII): 024-000005670

Section B: Investment Detail

1. **Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

After the attacks on September 11, 2001, the TSA was given the mission to strengthen air cargo security. TSA implemented a layered approach that established security measures throughout the air cargo supply chain, minimizing disruptions to the flow of commerce and preventing individual vulnerabilities from becoming single points of failure. The Air Cargo Security investment supports the systems that enable TSA to:"? Regulate activities of Air Carriers (ACs) and Indirect Air Carriers (IACs)"? Regulate and approve companies to conduct screening operations "? Determine the identity, validity and risk of companies shipping goods on passenger "The investment consists of three operational systems and one planned system. The operational systems include the Indirect Air Carrier Management System (IACMS), Known Shipper Management System (KSMS), and Freight Assessment System (FAS). TSA uses IACMS to manage the certification and renewal process of IACs, who arrange for cargo to be transported by air, and enables both IACs and ACs to submit Security Threat Assessments (STAs) for their employees as required by the 9/11 Act. KSMS allows IACs and ACs to submit shippers for vetting; only cargo from vetted shippers (?known shippers?) is allowed to travel on a passenger aircraft. The FAS allows Certified Cargo Screening Program (CCSP) facilities and ACs to report the amount of cargo screened on a monthly basis. This allows certified cargo screening facilities (CCSFs) and ACs to remain compliant with the 100% Screening Mandate and for the TSA to generate congressionally

mandated reports. TSA is developing the Air Cargo Data Management System (ACDMS), which will manage the application process for facilities to apply to become a CCSF. The system will allow CCSFs to submit STAs for their employees and agents, and enable TSA to manage the certification/renewal processes.''This investment is dependent upon the TSA Operating Platform (TOP) and Transportation Worker Identification and Credentialing (TWIC) investments. All of the Air Cargo IT systems reside on the TOP, which must be operational for industry and TSA to use the systems. The TWIC program adjudicates submitted STAs and returns them as passed or denied. Only individuals with a passed STA may have unescorted access to cargo. The primary beneficiaries within TSA are the CCSP Office, Inspectors, and Air Cargo Regional Coordinators. The primary beneficiaries in industry are IACs, ACs, and Agents''.

2. **How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.**

The Aviation and Transportation Security Act (ATSA), P.L. 107-71, and the Implementing the Recommendations of the 9/11 Commission Act of 2007 (9/11 Act), P.L. 110-53, defined the air cargo security landscape. The ATSA (passed in 2001) stipulated that a system must be in operation to screen, inspect, or ensure the security of all cargo transported in all-cargo aircraft as soon as practicable. The 9/11 Act mandated that a system be in place to screen 100% of cargo transported on passenger aircraft within three years of the date of enactment (and 50% be screened within 18 months). This law defined screening as a physical examination or non-intrusive method of assessing whether cargo poses a threat to transportation security. Screening methods include x-ray, explosive trace detection, explosive detection systems, and TSA-certified canine teams. Additional methods include manifest verification, verifying the identity of a shipper of cargo, and reviewing the contents of cargo. In order to meet these mandates, the Air Cargo Program Office adopted a layered approach to security, consisting of vetting (companies and people), screening, risk assessment, and compliance. The investment closes the performance gap by developing and maintaining the IT systems that facilitate the various components of the layered approach, including the Known Shipper Program, processing of Security Threat Assessments (STAs), and the Certified Cargo Screening Program (CCSP). If this investment is not fully funded, ACs, IACs and CCSFs will not be able to obtain Security Threat Assessments (STAs) for new employees, making it impossible to continue to move cargo on passenger aircraft and difficult to move cargo via all-cargo aircraft. Additionally, ACs and IACs would not be able to vet shippers using KSMS. Both of these activities are required by 49 CFR Parts 1544, 1546, 1548, and 1549. Unless a shipper has been vetted and approved by TSA, their cargo may not be shipped on passenger aircraft. Finally, if the investment were not fully funded, ACs, IACs, and CCSFs would not be able to submit cargo screening reports to TSA, to demonstrate compliance with the 100% screen mandate. In short, if the investment is not funded, cargo would not be transported on passenger planes. This would create severe disruptions to the flow of commerce, significant financial losses for ACs, and ruinous losses for IACs.

3. **Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.**

KSMS accomplishments: * The Program deployed the automated appeals process. This

allows indirect air carriers and air carriers to electronically appeal a shipper record if their initial submission is returned unknown. The new appeal process takes an average of seven to ten days. (The previous appeal process was manual and took 60+ days.) IACMS accomplishments: *Deployed 2.2.1, 2.3, 2.4, and 2.5 which fixed existing problems, usability issues, and security concerns. FAS accomplishments: * The Program launched the Cargo Reporting Tool (CRT) to indirect air carriers and air carriers. This functionality allows these entities to submit their monthly cargo screening data directly into the tool, instead of emailing it to the CCSP email inbox. ACDMS accomplishments: * The Program completed the development of module one (out of three modules).

4. **Provide a list of planned accomplishments for current year (CY) and budget year (BY).**

KSMS accomplishments: * The Program plans to launch web services to large KSMS users. This functionality will allow industry users to vet shippers in their corporate systems automatically, without having to submit shippers individually or in batches. * Deploy enhancements to the shipper matching process to improve the matching process. * Deploy further automation to the known shipper appeals process to provide more IACs with more specific reasons for a denied appeal and speed up the appeals process. IACMS accomplishments: * The Program plans to complete a code refresh of the first IACMS module. * Address remaining high-priority usability issues. FAS accomplishments: * The Program plans to deploy a limited capability of the risk modules to selected all-cargo carriers. ACDMS accomplishments: * The Program will complete the development, testing, and deployment of all three ACDMS modules. Once fully deployed, ACDMS will allow facilities to apply to become part of the CCSP, submit STAs for employees with unescorted access to cargo, submit monthly their monthly screening data, and submit renewal requests. Internally, ACDMS will allow the CCSP Office to manage these entities.

5. **Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

2011-07-25

Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	$0.0	$1.2	$1.2	$1.3
DME (Excluding Planning) Costs:	$0.0	$8.3	$6.6	$5.3
DME (Including Planning) Govt. FTEs:	$0.0	$0.2	$0.2	$0.2
Sub-Total DME (Including Govt. FTE):	0	$9.7	$8.0	$6.8
O & M Costs:	$0.0	$13.3	$13.7	$14.1
O & M Govt. FTEs:	$0.0	$0.6	$0.6	$0.6
Sub-Total O & M Costs (Including Govt. FTE):	0	$13.9	$14.3	$14.7
Total Cost (Including Govt. FTE):	0	$23.6	$22.3	$21.5
Total Govt. FTE costs:	0	$0.8	$0.8	$0.8
# of FTE rep by costs:	0	5	5	5
Total change from prior year final President's Budget ($)		$23.5	$0.0	
Total change from prior year final President's Budget (%)		0.00%	0.00%	

2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

No, the funding levels have not changed from the FY2012 budge request.

Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value ($M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	7013	HSTS0209JCGO079	HSTS0307ACIO925	7013							
Awarded	7013	HSTS0207CCGO032									
Awarded	7013	HSTS0209JCGO078	HSTS0307ACIO925	7013							
Awarded	7013	HSTS0209FCGO009	GS06F0067Z	4730							
Awarded	7013	HSTS0209CCGO080									
Awarded	7013	HSTS0209CCGO025									
Awarded	7013	HSTS0209CCGO068									
Awarded	7013	HSTS0211JCGO003	HSTS0109AACQ911	7013							
Awarded	7013	HSTS0211JCGO001	HSTS0307ACIO925	7013							
Awarded	7013	HSTS0211CCGO027									

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:
Earned value is not currently a contract requirement for development task orders. This is due to the small size of the individual task orders (less than 1.5M), and the short duration (typically 4 months) of projects against which earned value would be measured. The program works to reduce development and contract risk in a variety of ways, such as by using fixed-price contracts and limiting release duration for IT systems development. The program has significantly reduced development risk by limiting the duration of system releases to six months or fewer, with the typical duration being only four months. Additionally, the program limits contract risk on development contracts through strong project management reporting requirements, strict schedule management, burn rate analysis, stakeholder feedback, and other project

management tools. For future contracts, the program will work with the contracting officer to determine whether EVM should be included as a contract requirement or if other tools such as performance-based contracting, or firm-fixed price contracting are sufficient to ensure contractor accountability and limit government risk. For example, the program will work with the OASIS and OASIS II contracting officers, the task order contracting officer, OIT, and Office of Acquisitions personnel to determine if contractual EVM requirements should be applied to the individual development work task orders issued under these contracts, or whether alternatives such as fixed price contracting or performance-based contracting are sufficient to limit government risk to an acceptable level.

Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-08-22

Section B: Project Execution Data

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost ($M)
1	KSMS 1.3	The release will deploy the initial release of web services functionality for all-cargo carriers, enhance the appeal process, implement security fixes, and deploy IV&V usability recommendations.			
2	KSMS 1.4	This release will improve the vetting of sole proprietors, enhance the process flows for appeal, enhance address matching, provide oversight for international business vetting, and implement security fixes.			
3	KSMS 1.5	This release will enhance the single shipper and search shipper functionalities, enhance large batch processing, provide a re-appeal functionality, and provide additional reporting capabilities.			
4	IACMS 2.5	This release will create a “Replace All STAs” feature used for STA disassociation, send an email to the user when a regional			

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost ($M)
		coordinator changes or adds a security coordinator, improve process flows for IAC applications, and provide a search for all Principals from an IAC profile page.			
5	IACMS 2.6	This release will implement STA renewal functionality to allow IACs to renew expiring STAs.			
6	FAS 3.10	This release will provide additional management reports and enhance the security audit log.			
7	FAS 4.0	This release will deploy reports, variance checks and automated notification to support air carrier reporting..			
10	FAS 4.1	This release is primarily a maintenance release. It will fix bugs and usability issues.			
11	FAS 3.9	This release deploys additional reporting templates, enabling air carriers to report screening data into FAS/CRT. It also includes several bug fixes.			
12	IACMS 2.7	This release will implement improvements to STA renewal functionality, security fixes, and the ability to have multiple alternate security coordinators.			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities ($M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance ($M)	Cost Variance (%)	Total Planned Cost ($M)	Count of Activities
1	KSMS 1.3							

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities ($M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance ($M)	Cost Variance (%)	Total Planned Cost ($M)	Count of Activities
2	KSMS 1.4							
3	KSMS 1.5							
4	IACMS 2.5							
5	IACMS 2.6							
6	FAS 3.10							
7	FAS 4.0							
10	FAS 4.1							
11	FAS 3.9							
12	IACMS 2.7							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
11	FAS 3.9 Planning and Requirements	Completion and approval of IAs for tickets in the release	2011-06-14	2011-06-14	2011-06-14	8	0	0.00%
11	FAS 3.9 Design and Development	Design and development of code to address the approved tickets	2011-07-18	2011-07-18	2011-07-18	33	0	0.00%
4	IACMS 2.5 Planning and Requirements	Completion and approval of IAs for tickets in the release	2011-07-27	2011-07-27	2011-07-27	43	0	0.00%
1	KSMS 1.3 Planning and Requirements	Completion and approval of Impact Assessments (IAs) for tickets in the release	2011-07-31	2011-07-31	2011-07-29	30	2	6.67%
11	FAS 3.9 Testing	System testing, user acceptance testing, and regression testing	2011-08-03	2011-08-03	2011-08-05	15	-2	-13.33%
4	IACMS 2.5 Design and Development	Design and development of code	2011-09-09	2011-09-09	2011-09-07	55	2	3.64%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
		to address the approved tickets						
1	KSMS 1.3 Design and Development	Design and development of code to address the approved tickets	2011-09-30	2011-09-30	2011-09-27	60	3	5.00%
6	FAS 3.10 Planning and Requirements	Completion and approval of IAs for tickets in the release	2011-10-11	2011-10-11	2011-10-11	6	0	0.00%
4	IACMS 2.5 Testing	System testing, user acceptance testing, and regression testing	2011-10-12	2011-10-12	2011-10-20	30	-8	-26.67%
6	FAS 3.10 Design and Development	Design and development of code to address the approved tickets	2011-11-04	2011-11-04	2011-11-04	23	0	0.00%
1	KSMS 1.3 Testing	System testing, user acceptance testing, and regression testing	2011-11-09	2011-11-09	2011-11-23	37	-14	-37.84%
6	FAS 3.10 Testing	System testing, user acceptance testing, and regression testing	2011-11-22	2011-11-18	2011-11-18	15	4	26.67%
5	IACMS 2.6 Planning and Requirements	Completion and approval of IAs for tickets in the release	2011-11-30	2011-11-30	2011-12-06	45	-6	-13.33%
7	FAS 4.0 Planning and Requirements	Completion and approval of IAs for tickets in the release	2012-01-03	2012-01-17	2012-01-17	48	-14	-29.17%
5	IACMS 2.6 Design and Development	Design and development of code to address the approved tickets	2012-01-16	2012-01-09	2012-01-09	63	7	11.11%
5	IACMS 2.6 Testing	System testing, user acceptance testing, and regression testing	2012-03-01	2012-04-16	2012-04-16	44	-46	-104.55%
7	FAS 4.0 Design and Development	Design and development of code to address the	2012-03-01	2012-03-09	2012-03-09	57	-8	-14.04%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
		approved tickets						
2	KSMS 1.4 Planning and Requirements	Completion and approval of IAs for tickets in the release	2012-03-05	2012-03-05	2012-03-09	110	-4	-3.64%
7	FAS 4.0 Testing	System testing, user acceptance testing, and regression testing	2012-04-06	2012-05-07	2012-05-07	35	-31	-88.57%
2	KSMS 1.4 Design and Development	Design and development of code to address the approved tickets	2012-04-27	2012-05-22	2012-05-22	133	-25	-18.80%
12	IACMS 2.7 Planning and Requirements	Completion and approval of the tickets in the relese	2012-05-04	2012-05-25	2012-05-25	60	-21	-35.00%
10	FAS 4.1 Planning and Requirements	Completion and approval of IAs for tickets in the release	2012-06-15	2012-06-05	2012-06-05	70	10	14.29%
2	KSMS 1.4 Testing	System testing, user acceptance testing, and regression testing	2012-06-29	2012-09-14		60	-77	-128.33%
12	IACMS 2.7 Design and Development	Design and development of code to address the approved tickets	2012-07-02	2012-06-22	2012-06-22	55	10	18.18%
10	FAS 4.1 Design and Development	Design and development of code to address the approved tickets	2012-07-23	2012-07-11	2012-07-11	35	12	34.29%
12	IACMS 2.7 Testing	System testing, user acceptance testing, and regression testing	2012-08-17	2012-07-24	2012-07-24	46	24	52.17%
10	FAS 4.1 Testing	System testing, user acceptance testing, and regression testing	2012-09-04	2012-08-01	2012-07-31	42	35	83.33%

Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
Decrease the median time (in calendar days) to process a shipper appeal in KSMS – from the time when a user submits an appeal to the time when the appeal result is returned to the user.	Days	Customer Results - Timeliness and Responsiveness	Under target	30.000000	14.000000	14.000000	7.000000	Quarterly
Maintain the median time (in calendar days) to process a Security Threat Assessment in IACMS. – from the time when a user submits an STA to the time when the STA result is returned to the user.	Days	Process and Activities - Cycle Time and Timeliness	Under target	4.000000	4.000000	4.000000	4.000000	Quarterly
Decrease the median time (in seconds) to adjudicate a shipper through Single Shipper in KSMS – from the time when a user submits a shipper record to the time when the system displays the shipper record status to the user.	Seconds	Customer Results - Timeliness and Responsiveness	Under target	5.000000	5.000000	4.000000	4.000000	Monthly
Maintain operational availability percentage (excluding maintenance windows) of KSMS	Percent	Technology - Reliability and Availability	Over target	95.000000	95.000000	95.000000	95.000000	Monthly

Table II.C.1 Performance Metrics								
Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
per KSMS FRD.								
Maintain operational availability percentage (excluding maintenance windows) of IACMS per IACMS FRD.	Percent	Technology - Reliability and Availability	Over target	95.000000	95.000000	95.000000	95.000000	Monthly
Maintain operational availability percentage (excluding maintenance windows) of FAS per FAS FRD.	Percent	Technology - Reliability and Availability	Over target	95.000000	95.000000	95.000000	95.000000	Monthly